

Respect for Human Rights

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The Nissan Chemical Group regards compliance, including respect for human rights, as an important management issue. The “Nissan Chemical Group Human Rights Policy,” formulated with the approval of the Board of Directors, is based on international norms concerning human rights such as the International Bill of Human Rights and is revised as necessary to reflect changes in the external environment and the increasing diversity and complexity of awareness of human rights. In accordance with these international standards and our Group’s policy, we are promoting initiatives to respect the human rights of all stakeholders, including employees.

System

Our Group has established the Sustainability Promotion Committee, whose secretariat is the Sustainability Promotion Group under Sustainability Promotion & IR Department, as an organization to promote the human rights activities. The committee meets twice a year. The medium- and long-term plan and annual plans related to activities for human rights issues, evaluation of results of activities, and issues to be improved and examined based on the evaluation etc. are approved by the Board of Directors after discussion at the committee.

Activities

Educational Activity/Awareness-raising Activity

In FY2020, we conducted group training for Directors and managers with the aim of education and awareness-raising about human rights policy and promoting understanding for the purpose of practicing respect for human rights. Since FY2021, we have also been providing regular e-learning programs for all employees on “Business and Human Rights,” which includes the Group’s Human Rights Policy. In FY2024, this e-learning program was conducted for Nissan Chemical employees, with 2,013 participants (participation rate: 98%). In FY2025, the program is scheduled to be extended to domestic Group companies.

[Human Rights Training]

For Directors and managers

- Importance of human rights due diligence (conducted in FY2020)

e-learning training

- Nissan Chemical Group Human Rights Policy and elementary knowledge of business and human rights (conducted since FY2021)
- Harassment training (held in FY2023 for all employees)

Human Rights Due Diligence Initiatives

Our Group is working to establish a system of human rights due diligence to identify and mitigate negative impacts on human rights. In FY2020, with the cooperation of outside experts, we identified and assessed risks that could have a negative impact on human rights through our business activities in major businesses and their value chains (risk mapping). We exchanged opinions with stakeholders on the results, reflected them in the results of the evaluation, and identified the risks which we need to prioritize for the Group.

In FY2023, in light of increased diversity and complexity in human rights awareness, we conducted interviews with the relevant departments and offices about our systems for human rights efforts and specific major human rights issues, after which we conducted gap analysis. In addition to gaining an understanding of the current status of our efforts and future challenges, we also discussed medium- and long-term measures to be taken in the future. Regarding the identified gaps and future measures, we exchanged opinions with outside experts, and received advice about the appropriateness of our future action plans and ways to improve them.

In FY2024, we have been addressing issues identified through gap analysis, including translating our Human Rights Policy into local languages and conducting awareness-raising activities. We plan to continue to strengthen measures by reflecting the opinions of stakeholders, and regularly review our human rights risk assessment and priority risks.

●Human Rights Due Diligence Process

1	Investigation of Human Rights Risk
2	Human Rights Risk Assessment
3	Dialogue with Stakeholders Including Experts
4	Identification of Risks to be Prioritized

Stakeholder Engagement

To deepen our understanding of situations in which human rights issues may arise, the relationship between business activities and human rights, key human rights issues, and the importance of conducting business activities with consideration for human rights—and to apply this understanding to our initiatives to respect human rights—the Company has participated since FY2024 in the Stakeholder Engagement Program organized by Caux Round Table Japan (CRT Japan).

Through this program, we have engaged in discussions with NGOs/NPOs, experts, and others on challenges and solutions related to the implementation of human rights due diligence, as required by the United Nations Guiding Principles on Business and Human Rights, while sharing perspectives from different fields.

Promotion of Sustainable Procurement

For more information, please visit our website.

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To address various social issues, including environmental and human rights challenges, and to ensure responsible procurement, we have established a “Purchase Policy” and a “Responsible Minerals Procurement Policy.” Recognizing that achieving sustainable development for society requires initiatives across the entire supply chain, we have also formulated the “Nissan Chemical Corporation Sustainable Procurement Guidelines,” which outline the practices we expect our business partners to adopt. Going forward, we will continue to promote responsible procurement in collaboration with our business partners.

Activities

Sustainable Procurement Self-Assessment Questionnaire (SAQ)

To promote collaboration with our business partners (including existing and new suppliers, and contractors of important raw materials, intermediates, and products) in sustainability activities, since FY2017 we have regularly asked them to respond to the “Sustainable Procurement Self-Check Sheet (SAQ).” In addition, since FY2020 we have formulated and shared the “Nissan Chemical Corporation Sustainable Procurement Guidelines,” which summarize the practices we ask our business partners to adopt, and we request compliance with these guidelines.

In response to evolving societal requirements regarding ESG, we review the content of the SAQ and Procurement Guidelines on a regular basis. In FY2024, we launched a new survey using the latest SAQ and Procurement Guidelines. In the latest SAQ, we ask business partners to provide information on their GHG emissions and the status of setting medium- to long-term targets for emissions reduction, as part of efforts to reduce environmental impact across the supply chain.

●Overall Results of the Sustainable Procurement Questionnaire Conducted in FY2024



●Target of the Sustainable Procurement

	FY2024 Result	FY2027 Target
Response Rate to the Sustainable Procurement Questionnaire	42%	Over 90% of total purchase value*

* Applies to business partners subject to purchases by the Purchasing Department.

Furthermore, since FY2023, we have been providing feedback on the analysis results of each item to business partners who responded to the questionnaire. By comparing their own scores with the average scores of other companies for each item, business partners are able to reassess the strengths and weaknesses of their activities and use this as a reference to further enhance their ongoing sustainability initiatives. In addition, starting in FY2024, we launched a briefing session for our business partners. This briefing not only explains our initiatives but also introduces examples related to human rights and environmental issues, which we particularly encourage them to better understand.

Efforts for Responsible Minerals Procurement

We have incorporated our commitment to responsible minerals procurement into the “Nissan Chemical Corporation Sustainable Procurement Guidelines” and confirm the efforts of our business partners through surveys using the SAQ. In addition, for business partners that purchase applicable minerals, we ask them to submit certificates verifying the non-use of minerals mined in conflict-affected or high-risk areas, thereby promoting efforts to avoid the purchase and use of such minerals. If the use of conflict minerals is identified, corrective measures are promptly implemented.

Going forward, we will remain mindful of our role and strive to contribute to international efforts for responsible minerals procurement.

Procurement for Palm Oil

In procuring palm oil used as a raw material for highly branched saturated alcohol and high-fatty acid products (product name: FINOXOCOL®), we have joined the Roundtable on Sustainable Palm Oil (RSPO) and obtained an RSPO Distributor License.

